

MID-YEAR REPORT

Wisconsin

Department of Natural Resources
s. 128(a) Grant Accomplishments



Report Period

September 1, 2005 to
February 28, 2006





Introduction



This mid-year report summarizes WDNR's use of its s. 128(a) grant money on state response programs and public record requirements from September 1, 2005, through February 28, 2006. The activities in this report are those included in the approved cooperative agreement work plan.

The Wisconsin Department of Natural Resources (WDNR) was awarded EPA Section 128(a) funds beginning on September 1, 2003, to enhance its state response program. This federal grant is used to support federal and state programs under the jurisdiction of WDNR's Remediation and Redevelopment (RR) program, including:

- high-priority leaking underground storage tanks (LUST);
- RCRA hazardous waste closures and corrective actions;
- state enforcement; and
- voluntary cleanup actions under the state's comprehensive Spill Law.

Financial Status

In September of 2005, EPA awarded WDNR \$1,409,536 in Section 128(a) funding for the period September 1, 2005, through August 31, 2006. Grant Financial Status Reports, submitted separately, indicate that WDNR had earned \$469,587 through December 31, 2005. Estimated earnings through February 28, 2006 are \$651,274. We report no slippage, work plan problems, cost overruns or adverse conditions, per 40 CFR part 31.40.

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1. Reporting Period Highlights

- A. New Brownfield Legislation Introduced
- B. Four Million Dollar Revolving Loan Fund Opens
- C. Round Seven Site Assessment Grants Awarded
- D. Urban Reinvestment Initiative Is Underway
- E. New On-Line Map of Contaminated Properties
- F. New Acres Ready for Reuse Data



A. Four New Provisions Introduced in Brownfield Legislation



Brownfield legislation moving through the Wisconsin Legislature has attracted an impressive list of supporters, including the Wisconsin Manufacturers and Commerce; the Alliance of Cities; the Wisconsin Counties Association; the Wisconsin Economic Development Association; the departments of Commerce, Agriculture, Trade and Consumer Protection and Natural Resources, and the Brownfield Study Group. Legislators have conducted public hearings on the following four brownfield provisions.

- **Land Use Controls –**

This bill offers a more efficient process for creating and modifying enforceable land use controls for residual contamination remaining on a property after the state has approved a cleanup. This legislation would clarify the state's authority to require and enforce land use restrictions in s. 292.12, Wis. Stats., regardless of property ownership. In addition, it would replace land use restrictions that are currently filed with deeds. Public access to this type of site-specific information would be provided through WDNR's existing GIS Registry of Closed Remediation Sites, on the internet at <http://maps.dnr.state.wi.us/imf/dnrimf.jsp?site=brrts.gisregistry>. These changes are intended to accelerate clean-up approvals, reduce transactional costs, and provide a user-friendly method of informing the public about land use controls associated with residual contamination.

- **Voluntary Party Liability Exemption (VPLE) for Solid Waste Facilities –**

This bill would expand liability protections that can now be applied to property affected by spills to a subset of solid waste facilities, known as “unlicensed landfills”, in order to promote clean up and redevelopment of more brownfields.

- **Local Government Liability Exemption for Solid Waste Facilities -**

This bill would extend environmental liability provisions now afforded to local governments for spills to include certain solid waste facilities, “unlicensed landfills”. Like the spill law protection, this exemption would apply when a local government “involuntarily” (e.g. tax delinquency) acquires property that includes an unlicensed landfill. The local government would have to continue any existing monitoring or maintenance systems for the landfill and would be required to prevent unacceptable exposures to contamination once the property was put to its intended use.

- **Modifications to Environmental Remediation Tax Incremental Financing (ER TIF) -**

This bill proposes a number of technical modifications to make ER TIFs more useable and more consistent with the recent changes to the Tax Incremental District (TID) statutes. These changes should result in the ER TIF being used more frequently by local governments as an economic development tool for business expansion and job creation.

B. Four Million Dollar Revolving Loan Fund Opens for Business

On February 14, 2006 the Wisconsin Brownfield Coalition opened the door for applications to the four million dollar Ready for Reuse revolving loan fund managed by the RR Program. Our priorities for funding include:

- economically distressed neighborhoods,
- waterfront brownfields,
- a balance between rural and urban projects,
- green space or other public use projects, and
- projects that promote sustainable development and smart growth.

Please see our section on Public Participation (page 19) for more information about our Ready for Reuse Revolving Loan Fund.



C. Round Seven Site Assessment Grants Awarded

Governor Doyle announced the seventh round of WDNR Site Assessment Grants (SAGs), totaling another \$1.7 million to start the clean-up process at Wisconsin brownfields. Please see our section on Public Participation (page 19) for more information about this year’s SAG awards.



D. Urban Reinvestment Initiative Underway in Milwaukee's 30th Street Industrial Corridor

The RR Program has partnered with the city of Milwaukee and the 30th Street Industrial Corridor Corporation to allocate \$400,000 in federal assessment funds to Brownfield in the corridor. Please see our section on Public Participation (page 20) for more information about progress in the 30th Street Industrial Corridor.

E. New On-Line Map of Contaminated Properties in Wisconsin

In this reporting period we have unveiled our new GIS application, the on-line RR Sites Map. Please see our section on Public Record Requirements (page 6) for more information about the RR Sites Map.



F. New Acres Ready for Reuse Added to Measures of Performance

Also new in this reporting period, the RR Program has initiated a new measure of acres of property that are ready for new development following state approval of the environmental cleanup. Please see our section on Public Record Requirements (page 6) for more information about Acres Ready for Reuse.

In addition, the RR Program has:

- reviewed and approved **236** requests for case closure, thereby completing the investigation and cleanup process at contaminated properties, and
- satisfied **52** requests for redevelopment assistance, providing land re-use tools such as brownfield liability clarifications.



2. Public Record Requirements



WDNR's Remediation and Redevelopment (RR) Program maintains its statewide public records in our on-line database and mapping systems. Our public records, with information on the estimated 8,000 Brownfield in Wisconsin, fall into four primary areas:

- A. BRRTS Electronic Tracking**
- B. GIS Registry of Closed Remediation Sites**
- C. New RR Sites Map**
- D. New Acres Ready for Use**

A. BRRTS Electronic Tracking - We continue to utilize the Bureau for Remediation and Redevelopment Tracking System (BRRTS) to provide BRRTS on the web, a comprehensive, on-line searchable public record of contaminated properties. As hydrogeologists in our regional offices review the investigation and cleanup activities reported to us by responsible parties and their consultants, the new data is entered into BRRTS. BRRTS is on-line at <http://botw.dnr.state.wi.us/botw/Welcome.do>.

Among other details, the information displayed for each property in BRRTS includes:

- 1) name of the responsible party,
- 2) site address,
- 3) type(s) of contamination,
- 4) cleanup milestones,
- 5) redevelopment assistance (grants, liability clarifications, etc.), and
- 6) institutional controls.

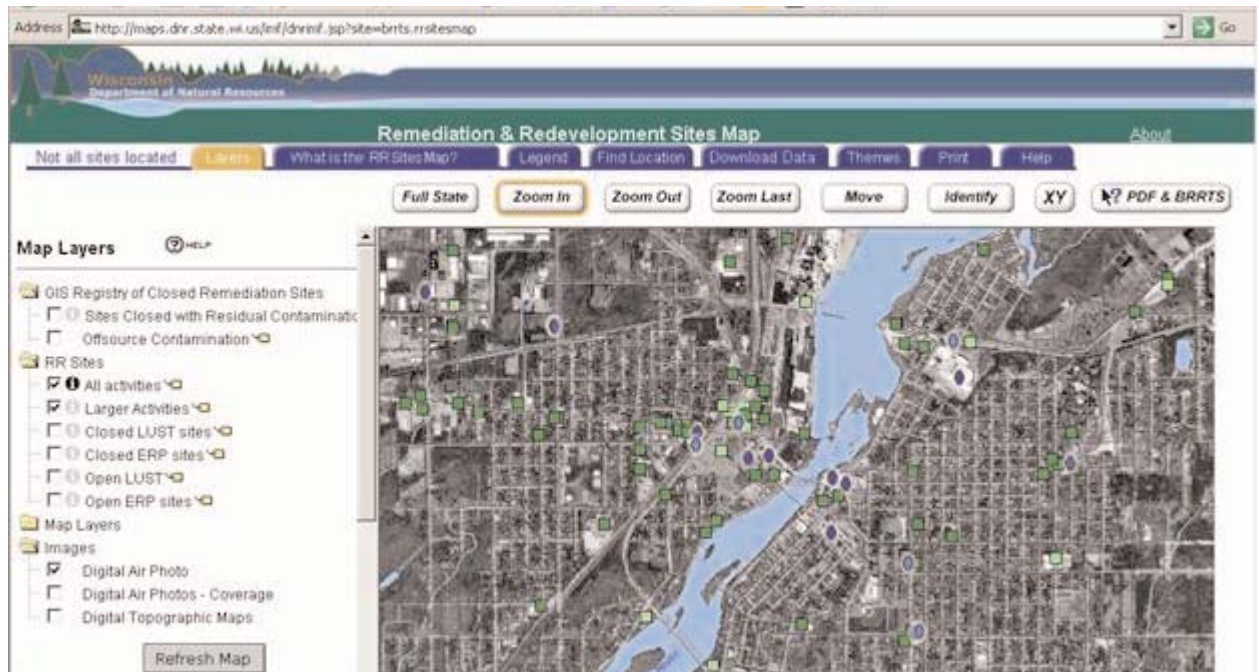
Improvements to BRRTS on the web in this reporting period include completion of a search function by public land survey section (i.e. Town, Range, Section, quarter section & quarter-quarter section). These locations have been quality checked through on-screen digitizing using Geographic Information System (GIS) technology.

B. GIS Registry of Closed Remediation Sites - Often the sites in BRRTS become locations where the environmental cleanup has been completed and approved, and residual contamination exists in soil, groundwater or both. Those sites are then also entered into our GIS Registry of Closed Remediation Sites, an on-line map that provides users with information about the remaining contamination and any associated land use issues.



C. RR Sites Map

We've added the new, on-line RR Sites Map so that users of our BRRTS database have an alternative to sifting through the data. The RR Sites Map is a statewide application that shows both open and closed sites and will help local officials, environmental professionals and the public find contaminated properties in Wisconsin.



The RR Sites Map displays thousands of contaminated and formerly contaminated properties on a geographic information system (GIS) map. Users select whether to look at cleanups in progress, completed cleanups, or both. Sites are represented as points on a map, and each point links to more information about the cleanup and institutional controls. Users select the area of the state they want to view and select map layers such as municipal boundaries, roads or air photos as background for the maps. Each of our entries on the map links to more detailed information in our BRRTS on the Web database. The RR Sites Map is on the web at <http://dnr.wi.gov/org/aw/rr/gis/index.htm>.

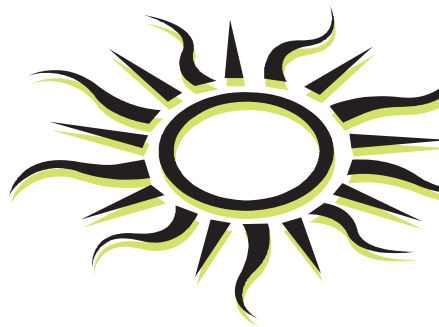


D. Acres Ready for Use

Also new in this reporting period, WDNR has programmed its database to report on "Acres Ready for Use", a new parameter we've begun collecting along with requests for cleanup approval. Collecting this information will help elected officials and other decision makers see the value of brownfield cleanup through the acres of land that are ready to return to productive use and to the property tax rolls.



TABLE 1 SUMMARY OF PUBLIC RECORD ACTIVITIES		
	Mid-Year Numbers	End of Year Targets
Estimated Brownfield in Wisconsin	8,000	n.a.
Active Sites in Database (cleanups underway)	LUST 2764 ERP (non-LUST) 2248 Total 5012	n.a.
Completed Cleanups	236	350
Acres Ready for Reuse	567 acres, plus: 5 properties > 100 acres 3 rights-of-way	300
Voluntary Party Liability Exemptions Underway	143	n.a.



3. Timely Inventory and Survey

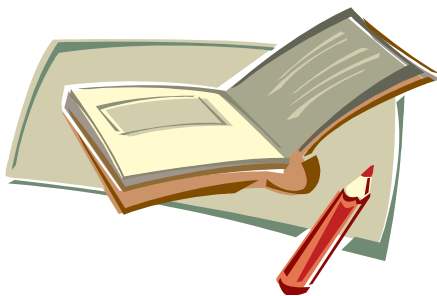
Our inventory and survey accomplishments fall into three primary areas.

- A. Site Discovery**
- B. Updating our Registry of Waste Disposal Sites**
- C. Geo-Location of Contaminated Properties**



A. Site Discovery

WDNR's efforts to discover contaminated properties fall into three major areas. First, all staff in the RR Program routinely inform and educate those who cause contamination and those who own contaminated properties of their legal obligation to report the contamination to WDNR. Second, we offer financial incentives for the investigation and cleanup of contaminated property. Third, we provide liability clarifications and exemptions that ease the path for local governments and private parties that want to redevelop contaminated sites. In this reporting period the RR Program received no requests for site assessments, however, we received 69 applications for Wisconsin's Site Assessment Grants.



B. Updating our Registry of Waste Disposal Sites

The RR Program is continuing our review all 4,000 entries in the Registry of Waste Disposal Sites, a listing that originated in 1984. We're evaluating the accuracy and environmental significance of the information in the Registry through both physical inspections of the sites and review of the state's records about these disposal sites. The end product will help the public make informed land-use decisions, such as property transactions and locations for water supply wells. The data will ultimately be put on the program's web site in a searchable format. Those properties where there has been a discharge of a hazardous substance will be added to our BRRTS database. Those where there appear to be no environmental impacts from historic waste disposal will be added to the landfill database maintained by WDNR's Waste and Materials Management Program.

C. Geo-Location of Contaminated Properties

We've made significant progress toward our goal of providing geo-locations for all contaminated properties where an investigation of contamination has been completed.

In fact, our decision to launch the RR Sites Map was based on our success in catching up on geolocating older contaminated properties. In addition, we are now collecting geolocations for properties that have received our Wisconsin Site Assessment Grants. EPA is funding the overall coordination of this effort, while the state is funding the staff who collect the property-specific data.



TABLE 2
Summary of Inventory and Survey Activities

	Mid-Year Numbers		End of Year Targets
New Sites in BRRTS Database	LUST	95	200
	Non-LUST	97	
	Total	192	
Sites Added to GIS Registry of Closed Remediation Sites	425		500
Waste Registry Evaluations	156		250
Staff Hours per Waste Registry Evaluation	24		20
Sites Geo-located on RR Sites Map	1034		1,000
Staff hours per Geo-location	1.6		1.5

4. Oversight and Enforcement

Our oversight and enforcement activities fall into three primary areas:

- A. Pipeline Acceleration
- B. Audit of Institutional Controls
- C. Streamlining - One Cleanup Program



A. Pipeline Acceleration

The RR Program continues to encourage sites with no recent activity to start, continue or complete their clean-up activities. Sites which fall under the pipeline acceleration initiative are those that have not made documented progress within the last two years, i.e. sites in our database where we have not recorded an action code in that time period. An action code represents an activity by the responsible party, such as submitting a site investigation report, or an action taken by the RR Program, such as approval of a remedial action plan.

The RR Program continues to make steady progress in reducing the number of sites without progress in the last two years. Currently, there are 1,967 sites with no activity recorded in the most recent two years (since February 28, 2004). In the last six months, the RR Program has sent 58 “push” letters to other responsible parties restating the requirements for them to continue their environmental cleanups, and this and other means have resulted in a total of 145 sites returned to activity.

Table 3 - Pipeline Acceleration			
Column A	Column B	Column C	Column D (Column B minus Column C)
Year of Last Recorded Activity at Site	As of Sept. 1, 2005: # of sites with no activity since year in Column A	As of Feb. 28, 2006: # of sites with no activity since the year in Column A	Number of Sites Moving Again
1986	66	54	12
1990	111	87	24
1994	218	177	41
1998	426	361	65
2002	1,255	1,110	145

B. Audit of Institutional Controls

In response to concerns about the long-term viability of land use controls associated with some cleanup approvals, in 2003 the RR Program initiated a process to audit sites closed with institutional controls. These audits evaluate property owners' compliance with the conditions established at the time of the cleanup approval in order to ensure that required controls, such as pavement over a contaminated area, are maintained.



An institutional control audit includes a review of the state's file on the cleanup, an interview with the site owner, a visit to the property and a written summary of results. We use our BRRTS database to track the audits we have completed and whether any state follow-up action is needed. Of the 13 audits completed in the last six months, none were recorded as sites that require follow-up.

C. Streamlining - One Cleanup Program Memorandum of Agreement



The One Cleanup Program (OCP) is an EPA initiative begun in 2003 to encourage and improve cooperation among EPA cleanup programs and states, local agencies, and stakeholders. Wisconsin is poised to become the third state to have a Memorandum of Agreement (MOA) on OCP if agreement can be reached with EPA headquarters.

Wisconsin's Brownfield Study Group supports this MOA due to consistent concerns regarding discontinuities between WDNR programs and use of federal authorities by EPA. Only one item remains to be settled in the current nine page document, the applicability of the MOA to those facilities that have a state issued hazardous waste license. WDNR wants a phrase removed from the current draft and has explained to EPA that if the language in question is not removed WDNR faces a major effort to open and revise each of the licenses individually. This would potentially involve a public notice and accepting public comments, would consume significant staff time and result in no improvements to the environment. In fact, modifications of the permits could result in less stringent conditions, the exact opposite of the desired outcome. This is a critical issue for WDNR and we are doing everything we can to get it resolved.

During this reporting period WDNR and EPA held several meetings and discussions in an attempt to resolve the final language. If the proposed OCP agreement is completed, Wisconsin's MOA will clarify the roles and responsibilities of the state and EPA under three major federal cleanup laws:

- RCRA Subtitles C and I;
- the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA , or Superfund),
- and TSCA.

The RR Program already embodies this unified cleanup approach to the extent that state authority is available.

TABLE 6
SUMMARY OF OVERSIGHT AND ENFORCEMENT ACTIVITIES

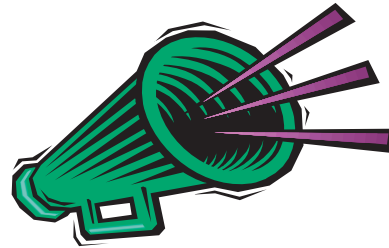
	Mid-Year Report	End of Year Targets
Pipeline Acceleration ("Push" Letters)	58	150
Audits of Institutional Controls	13	25
Staff Hours per Institutional Control Audit	16.8	15



5. Mechanisms and Resources for Public Participation

WDNR's public participation activities fall into two primary areas:

- A. Outreach Activities
- B. Financial Assistance



A. Outreach Activities

WDNR continues to enhance its level of public participation by using 128(a) grant fund for staff conducting outreach activities. We employ a part-time person in each of our five regions in order to work one-on-one with local governments, and other staff to work on internet content, publications, meetings and conferences and other public participation areas. The following data and narrative provide an update on accomplishments in the first six months of this reporting period.

Meetings with Municipalities

Regional outreach staff held more than 70 meetings or gave presentations to key brownfield audiences, including local government officials, community organizations, environmental consultants and attorneys, and other interested parties.



Audiences were spread across the state, from small rural villages to major cities, and included (but were not limited to) local officials from Adams, Chippewa, Douglas, Dunn, Florence, Forest, Jackson, Juneau and Monroe counties; from the villages of Adell, Belgium, Colfax, De Soto, Elk Mound, Newburg, Oakdale and Viola; from the towns of Colby, Hamburg, Minocqua, Saukville, Thorp, Trent, and Willard; and officials from the cities of Amery, Ashland, Eau Claire, Green Bay, Janesville, Jefferson, Kaukauna, Marathon, Mauston, Milwaukee, Menasha, Oconto, Portage, Spooner, Sturgeon Bay, Two Rivers, Superior and West Bend.



Remediation and Redevelopment Program staff made additional telephone contacts to more than 70 village, towns and city officials and other stakeholders about state brownfield redevelopment tools.

Staff have also met with/presented to officials with Cedar Corporation, Chippewa Valley Environmental Forum, Groundworks Milwaukee, Milwaukee Journal-Sentinel, Milwaukee Metropolitan Sewer District, Red Cedar Council (bankers/realtors/assessors coalition), Sierra Club, UW-Extension Monroe County, UW-Oshkosh, Wisconsin Alliance of Cities, Wisconsin Northwest Regional Planning Committee, and Minocqua-Arbor Vitae-Woodruff Area Chamber of Commerce.

Public Informational Meetings

Public informational meetings in this reporting period included:

- technical training in September with utility representatives and environmental consultants to consider remediation options at former manufactured gas plants;
- “drop-in” sessions in September for owners and operators of dry cleaning establishments, with information on use of perchloroethene and recently revised rules for reimbursement of cleanup expenses; in Madison, Green Bay and Milwaukee;
- a consultants’ training day in Milwaukee in November with the Federation of Environmental Technologists with approximately 60 attendees; and
- a series of well-attended three-day training sessions on the new standard for All Appropriate Inquiry, with ASTM and state staff discussing technical issues and regulatory applications; in Eau Claire, Appleton and Milwaukee.

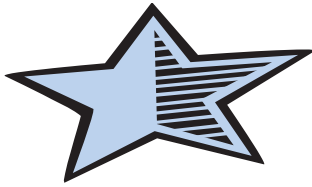
Brownfield Study Group

The Brownfield Study Group, a non-partisan advisory task force established by the State Legislature in 1998, continues to identify policy, fiscal and legal improvements in Wisconsin’s Brownfield initiatives, under the facilitation of the WDNR’s Brownfield staff.



After providing recommendations for the 2005-2007 State Biennial Budget and writing letters of support to state legislators, the Study Group turned to Brownfield legislation for 2006. Several policy recommendations made by the Study Group since 2000 had been left off the legislative agenda, and members were eager to put together a plan to forward these proposals.

The Study Group met on December 1, 2005, to work on their legislative initiative, described in our “Highlights” section on page 2, and discuss other key brownfield issues. Members considered additional state Brownfield legislation, as well as the following issues:



- changes to the state's Petroleum Cleanup Fund Awards (PECFA) program;
- an update to the new Wisconsin Brownfield Insurance Program;
- updates on WDNR's Site Assessment Grants, Green Space Grants and the Department of Commerce's Brownfield Grants;
- \$400,000 in EPA funding for Brownfield site assessment in Milwaukee's 30th St. Corridor;
- the overall fiscal health of the state's Brownfield programs; with a subgroup to meet in the spring/summer of 2006 to discuss further;
- new federal All Appropriate Inquiry (AAI) requirements;
- the Supreme Court Decision on the Kelo condemnation case and its effects in Wisconsin (with a subgroup meeting via conference call in January);
- the new \$4 million Revolving Loan Fund from EPA;
- the RR Program's recommendations regarding vapor intrusion; and
- changes to the state's administrative rule NR 720, soil cleanup standards.

Technical Focus Group

The RR Program's Technical Focus Group met twice, in November and February. This group originated in 1995 when the Natural Resources Board directed the RR Program to establish a forum for review of newly established state rules on "Investigation and Remediation of Environmental Cleanup". The Focus Group now serves as the RR Program's technical advisory group on changes to technical chapters of the rules. The group meets quarterly to discuss application of our administrative rules to the realities that consultants encounter while working on the investigation and cleanup of soil and groundwater contamination. Any consultant or other interested party may attend.

Agenda topics in this reporting period included:

- RR program management team decisions on revision of chapter NR 720, Soil Cleanup Standards;
- averaging soil sample results to determine the risk of exposure through direct contact;
- technical guidance for determining soil background levels in relation to contaminants;
- hazardous waste determinations at manufactured gas plants;
- EPA's All Appropriate Inquiry Rule and related ASTM Training;
- Wisconsin's proposed new Brownfield legislation;
- Wisconsin's new Ready for Reuse revolving loan fund;
- the upcoming Wisconsin Brownfield Insurance Program;
- our new form for Technical Assistance and Environmental Liability Clarification requests; and
- the relationship of this Technical Focus Group with the National Brownfield Association.

Press Releases, Newsletters and Publications

The RR Program completed these activities:

- a press release to more than 500 media outlets on our new Ready For Reuse revolving loan fund, as well as distribution to state-wide organizations, articles in program publications, a new web page and a fact sheet;
- a press release from Governor Doyle awarding \$1.7 million in WDNR Brownfield Site Assessment Grants to 33 communities; and follow-up with local media in each WDNR region plus special “big-check” media events in targeted communities;
- release of WDNR’s and Department of Commerce’s updated Financial Resource Guide For Cleanup and Redevelopment, listing more than 60 state and federal grants, loans and tax incentive programs;
- 12 new internet-based success stories about brownfield redevelopment, to supply time-critical outreach materials to key brownfield audiences;
- brownfield articles for state-wide and local publications, newspapers and association newsletters;
- two issues of Re News, our quarterly newsletter, in September and December of 2005; efforts are also underway to turn Re News into an electronic newsletter in June, 2006;
- 15 electronic newsletters (listservs); our original electronic newsletter; recently re-titled the RR Report;
- 13 new and 7 updated publications dealing with successful brownfield redevelopment, state and federal brownfield funding, the Ready For Reuse revolving loan fund, federal removals, the Dry Cleaner Reimbursement Fund, general liability clarifications, WDNR's superior lien authority and the voluntary cleanup liability exemption.
- a new “request for services” form that provides one-stop shopping for 20 different liability and technical services from the RR Program; and
- an article in the annual Wisconsin Great Lakes Chronicle from the Wisconsin Coastal Management Program on waterfront redevelopment, highlighting brownfield harbor cleanups in Sheboygan and Kenosha.



Internet Content

We continued to improve one of the nation's most comprehensive web sites on environmental contamination, investigation, cleanup, liability, redevelopment and financial aid for local government officials and environmental professionals. Our contaminated land map and database web pages continue to be among the most utilized web pages in the RR Program; BRRTS on the web consistently scores in the top five.



In addition to many routine updates of program information, we've added the following new web pages:

- Revolving Loan Fund web page, including application forms;
- Urban Reinvestment Initiative;
- RR Sites Map; and
- Technical Focus Group

Other public participation and outreach activities in this reporting period included:

- outreach on the new RR Sites Map; including a new web page and items in the RR Program's electronic newsletter;
- continuing our partnership with Milwaukee's 30th Street Industrial Corridor on our federal brownfield assessment grant in this economically distressed area;
- planning for an April Brownfield conference in Green Bay for up to 200 participants, with local brownfield success stories and tours;
- serving as an educational resource for universities and technical colleges; and
- an article in the *2005 Wisconsin Great Lakes Chronicle*, from Wisconsin's Coastal Management Program, on harbor cleanups in Sheboygan and Kenosha.

TABLE 4
SUMMARY OF PUBLIC PARTICIPATION ACTIVITIES - OUTREACH

	Mid-Year Numbers	End of Year Targets
Web Hits to RR Program	> 100,000 per month	35,000
Press Releases	2	4
Newsletters	2 printed 15 electronic	4 <i>ReNews</i> 25 <i>RR Report</i>
Meetings with Stakeholder Groups	1 mtg. - Brownfield Study Group 2 mtgs. - Technical Focus	n.a.
Outreach Meetings with Local Governments	59	40
New Publications	7	10
New Web Pages	4	20
Updated Web Pages		new or updated pages

B. Financial Assistance



Ready for Reuse Revolving Loan Fund



WDNR is administering Wisconsin's new \$4 million Ready for Reuse no-interest loan and grant program for the Wisconsin Brownfield Coalition, a partnership including the state departments of Commerce and Administration and Wisconsin's nine Regional Planning Commissions. In this reporting period we've:

- completed the application forms and posted them on the internet,
- finalized guidelines and procedures,
- improved our information about eligibility and funding priorities,
- completed a fact sheet, and
- developed our model grant and loan documents.

We will accept applications until all the funds have been loaned or granted, and will review applications on a "first-come" basis. We expect to meet with potential applicants to discuss eligibility criteria and program requirements. Our new Ready for Reuse web page is at http://dnr.wi.gov/org/aw/rr/financial/epa_revolvingloan.html.

SAG Awards

The RR Program has awarded the seventh annual round of Site Assessment Grants (SAGs), providing seed money to local governments for demolition, environmental assessments, and removal of abandoned tanks and containers. These grants also help create jobs, increase the attractiveness of the area and add to the property tax base.



This round of SAGs will fund 50 projects, nearly half in rural communities or counties looking to spur economic growth in less populated areas. Nearly a third went to communities of less than 5,000 people. These grants will fund projects on 94 acres of land, including 69 site assessments and investigations, demolition of more than 50 buildings or structures, and the removal of more than 120 tanks, drums, and other abandoned containers.

DNR received requests for \$800,000 more than the \$1.7 million available in this fiscal year, illustrating the continued strong demand for these "jump start" brownfield grants. Local governments have pledged more than \$1.1 million in additional funds for their projects, far above the 20 percent local match required of them.



Urban Reinvestment Initiative

WDNR, in partnership with the city of Milwaukee and the 30th Street Industrial Corridor Corporation, has made significant progress since receiving \$400,000 in EPA brownfield assessment funds. Our accomplishments in this reporting period are:

- signed a cooperative agreement with EPA;
- developed and signed an intergovernmental agreement with the city of Milwaukee to utilize its pre-qualified consultants to conduct site assessments;
- informed neighborhood organizations through meetings and publications and collected suggestions of properties for site assessments;
- developed a list of properties within the Corridor where Phase I and II ESAs will be conducted;
- established a website describing the 30th Street project;
- set up a GIS system to track changes in several economic, social, and political attributes of the 30th Street Corridor;
- sent property profiles to the Region 5 project manager in support of site eligibility; and
- participated in the startup meeting of state agencies involved in the Urban Reinvestment Initiative.

Our new Urban Reinvestment web page is at
<http://dnr.wi.gov/org/aw/rr/brownfields/uri-30th-street.htm>

Support for Federal Brownfield Grants

We continued to provide support for Wisconsin communities seeking and utilizing federal brownfield assessment, cleanup and revolving loan fund grants. In this reporting period we wrote eight state letters of support for applicants seeking a total of 16 new grants. In addition, we made eligibility determinations for seven properties where those previously awarded grants wished to utilize their federal petroleum assessment grants.



Federal Tax Deduction Requests

The RR Program issued three more certification letters during the previous six months, allowing taxpayers to deduct qualified environmental remediation expenditures from federal income tax in the year the expenditures were paid or incurred, rather than depreciating them over several years. Wisconsin continues to lead the nation in these deductions, with a total of 32, and satisfied customers are returning for additional certifications. We've also received inquiries as to whether this deduction may once again be extended beyond the current December 31, 2005, expiration date.

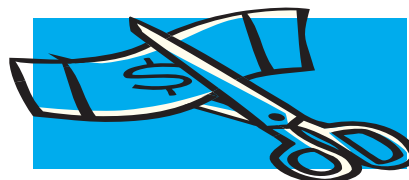


TABLE 5 SUMMARY OF PUBLIC PARTICIPATION ACTIVITIES - FINANCIAL		
	Mid-Year Numbers	End of Year Targets
Site Assessment Grants	69 applications reviewed 50 awards made	45 awards
EPA Brownfield Grants - Support Letters	8 support letters for applicants seeking 16 grants	support 10 applications
EPA Brownfield Grants - Eligibility Determinations	7 properties	15
Federal Brownfield Tax Deduction Certifications	3 certifications	n.a



6. Mechanisms for Approval of Cleanup Plans, Verification and Certification

Our mechanisms for approval of cleanup plans, verification and certification fall into three primary areas:

- A. Completed Cleanups**
- B. Redevelopment Assistance**
- C. Liability Exemptions**



A. Completed Cleanups

A completed cleanup means that WDNR has reviewed all relevant technical submittals related to environmental investigation and contaminant remediation activities, and found them satisfactory. In many cases the regional office uses a technical committee to ensure consistency in case closure decisions. The regional hydrogeologist signs and sends a case closure letter to the responsible party after cleanup approval, and the region also enters the case closure information into our database of contaminated properties. We are using our state funds to develop and enhance this element of our program.

B. Redevelopment Assistance Actions

WDNR provides redevelopment assistance that removes some of the disincentives to redeveloping contaminated property, including:

- 1) general liability clarification letters,
- 2) liability clarifications for lessees,
- 3) liability exemptions when contamination originated on another property,
- 4) lender liability exemptions,
- 5) approvals to build on abandoned landfills,
- 6) cleanup agreements for property tax cancellation, and
- 7) cleanup agreements for tax foreclosure reassignment of ownership.



C. Liability Exemptions



A Voluntary Party Liability Exemption (VPLE) follows a thorough environmental investigation and cleanup at a contaminated property. This fee-based option is provided in state law and administered by the RR Program. It provides a limit on future liability for the contamination. The WDNR issues the liability exemption in the form of a Certificate of Completion, which can be passed along to new owners of the property. The certificate can help with real estate transactions where prospective purchasers have concerns about contamination by assuring them that the entire property has been cleaned up to the satisfaction of WDNR.

TABLE 6
SUMMARY OF MECHANISMS FOR CLEANUP APPROVALS, VERIFICATION AND CERTIFICATION

	Mid-Year Numbers	End of Year Targets
Completed Cleanups	236	350
Redevelopment Assistance Actions	52	150
Voluntary Party Liability Exemptions Underway	9 new 143 cumulative	20 new
Voluntary Party Liability Exemptions - Certificates of Completion Sept. - Feb.	3 1) Town of Grand Chute 2) City of Superior 3) City of New London	10

